# INCOME-RESTRICTED TAX RELIEF (INCOME)

Utah State Tax Commission—2023

# RECENT LEGISLATION (2023)

Bills passed in the 2023 general session that relate to income-restricted tax relief

## SB 81

- Clean-up bill for the "eligible owner" (CB75+) deferral (§59-2-1802.5)
  - Makes the "eligible owner" (CB75+) mandatory tax relief by 2024
  - Interest for applicants who receive deferrals under U.S.C. §59-2 Part 18 accrues at half the rate as described in §59-2-1331(2)(c)&(d)
  - Allows up to a 1-year extension for taxpayers who were previously approved for the deferral but didn't file a deferral for the following year
  - Codifies penalties for fraudulent and/or negligent representation on tax abatements/deferrals (Part 18)
    - Negligent
      - Reduce by 10% the amount of any deferral or abatement and recover 1% per month (plus interest) beginning when the relief was approved
    - Fraudulent
      - Deny/Revoke relief and recover 1% per month (plus interest) beginning the day the person knowingly provided the false information







Definitions as they pertain to income-restricted tax relief

### HOMEOWNER

### §59-2-1201 (4)

- (a) "Homeowner" means:
  - (i) an individual whose name is listed on the deed of a residence; or
  - (ii) if a residence is owned in a qualifying trust, an individual who is a grantor, trustor, or settlor, or holds another similar role in the trust.
- (b) "Homeowner" **does not include**:
  - (i) if a residence is owned by any type of entity other than a qualifying trust, **an individual who holds an ownership interest in that entity**; or
  - (ii) an individual who is listed on a deed of a residence **along with an entity** other than a qualifying trust.



### INDIGENT INDIVIDUAL

### §59-2-1801 (7)

- (a)(i) At least 65 years old;
- (ii) Or is less than 65 years old and:
  - (A) The county finds that extreme hardship would prevail on the individual if the county does not defer or abate the individual's taxes; or
  - (B) The individual has a disability
    - No age limit for unmarried surviving spouse of a claimant
- (b) Has a total household income... of less than the maximum household income certified to a homeowner's credit
- (c) Resides for at least 10 months of the year in the residence that would be subject to the requested abatement or deferral; and
- (d) Cannot pay the tax assessed on the individual's residence when the tax becomes due



## INDIGENT INDIVIDUAL (CONT.)

- Not claimed as a dependent or the subject of a tax credit on another person's federal tax return
  - §59-2-1209(4) & §59-2-1208 (2)(a)
- Household income did not exceed \$38,369 in 2022
- Only one claimant per household is allowed
  - Claimants may decide amongst themselves who files the application



### HOUSEHOLD INCOME

§59-2-1202 (8) & (9)

### <u>Includes all taxable and the following non-taxable income:</u>

### Taxable

 Federally Adjusted Gross Income (FAGI)

### Nontaxable

- State unemployment insurance amounts
- Social Security Benefits and Medicare payments (except Disability income)
- Nontaxable strike benefits
- Child Tax and Earned Income Credits that exceed the federal tax liability
- Loss carry forwards
- Rental depreciation
- Wages and salaries

- Interest and dividends
- Trust income
- Support payments
  - Examples
    - Alimony
    - Disability payments
    - Public assistance payments
- Retirement income and voluntary contributions to a tax-deferred retirement plan
- Pensions and annuities
- Capital gains
- Workers' compensation



## HOUSEHOLD INCOME (CONT.)

### **Specific Exceptions:**

- Payments or reimbursements to federal senior program volunteers (1)
- Minor/Elderly Wages (2)
- Social Security <u>Disability</u> Income
- Gifts & bequests
- Aid, assistance, or contributions from a tax-exempt NGO source
- Property tax relief provided by the state of Utah (Part 18 relief) (3)

- Only the portion of the rent paid <u>by</u>
   <u>the tenant</u> may be claimed under the terms of the Circuit Breaker Act
  - The portion of the rent paid by the federal government to the landlord will not be considered as part of household income since it is not subject to a claim for rebate
- Reverse mortgages (4)



### INDIGENT AND CIRCUIT BREAKER HOMEOWNERS CREDIT

### HOUSEHOLD INCOME QUICK REFERENCE

Rev. 08/2019

### Included in Household Income

§ 59-2-1202(6)(a)(i) & (b)

Federal adjusted gross income (FAGI);

### The following non-taxable income:

- Capital gains;
- Loss carry forwards;
- · Depreciation claimed on the residence upon which relief is filed;
- Support money;
- Non-taxable strike benefits;
- Cash public assistance or relief;
- Gross amount of a pension or annuity;
- Social Security payments;
- State unemployment insurance amounts;
- Non-taxable interest from any source;
- · Workers' compensation;
- · Gross amount of "loss of time" insurance; and
- Voluntary contributions to a tax-deferred retirement plan.

### R865-91-34(B)

- Federal child tax credit that exceeds the taxpayer's federal tax liability;
   and
- Federal earned income credit that exceeds the taxpayer's federal tax liability.

### What is a household (for the homeowners credit)?

Households [§ 59-2-1202(4)] are determined as of Jan. 1 of the year the claim is filed [R865-9I-34(A)(1)]. All income earned in the previous year by members of the household on Jan. 1 is included, even if a member ceases to live in the household between Jan. 1 and time of application. A household for the renters refund is determined differently, please be aware of this when reading the Code to avoid confusion.

### NOT Included in Household Income

§ 59-2-1202(6)(a)(ii)

- Aid, assistance, or contributions from a tax-exempt nongovernmental source;
- Surplus food;
- · Relief in kind provided by a public or private agency; and
- Property tax relief.

### R865-9I-34(C)

- Federal child tax credit that does not exceed the taxpayer's federal tax liability; and
- Federal earned income credit that does not exceed the taxpayer's federal tax liability
- Federal tax refunds
- Payments received under a reverse mortgage
- Payments or reimbursements to federal senior program volunteers.

### What is income?

Questions arise if taxpayers submit complex federal tax returns as proof of income. Consulting the Form 1040 instructions and schedules can help determine if income listed in supplementary evidence is part of, or deducted from the FAGI.

For example, business losses are deducted from the FAGI and are listed on Schedule 1 after being calculated on Schedule C. HSA distributions from the 1099-SA are included in the FAGI and listed on Schedule 1 after being determined on Form 8889.

If the IRS accepts a taxpayer's FAGI as accurate, this decision should be deferred to.

## HOUSEHOLD INCOME QUICK REFERENCE SHEET

 Can be found at propertytax.utah.gov under the "Property Tax Relief" tab





## HOUSEHOLD LIQUID RESOURCES

### §59-2-1801 (6)

- "Household liquid resources" means the following resources that <u>are not</u> <u>included in an individual's household income and held by one or more</u> members of the individual's household
  - Cash on hand
  - Money in a checking or savings account
  - Savings certificates
  - Stocks or bonds

- Household §59-2-1202 (6)
  - Association of individuals who live in the same dwelling, sharing the dwelling's furnishings, facilities, accommodations, and expenses.





## TAX RELIEF & READING TAX RETURNS

For the purposes of this training, we will mainly discuss tax returns for:

- Individuals
- Self-employed/small business owners

## FEDERALLY ADJUSTED GROSS INCOME

Pensions and annuities

Standard

Deduction for-

- Total (TC-90CY line 11)
  - Personal Returns
    - Form 1040—line 11
    - This number does not include all forms of non-taxable income

Social security benefits Single or If you elect to use the lump-sum election method, check here (see instructions) Married filing separately, Capital gain or (loss). Attach Schedule D if required. If not required, check here \$12,950 Married filing Other income from Schedule 1, line 10 jointly or Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income Qualifying surviving spouse Adjustments to income from Schedule 1, line 26 \$25,900 Subtract line 10 from line 9. This is your adjusted gross income Head of household, Standard deduction or itemized deductions (from Schedule A) \$19,400 If you checked Qualified business income deduction from Form 8995 or Form 8995-A any box under Standard Deduction, Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income see instructions For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2022

 This value is after the income adjustments in Schedule 1



## FEDERALLY ADJUSTED GROSS INCOME

- Total (TC-90CY; line 11)
  - Business Returns
    - Schedule C—Line 31
    - Schedule 1—Line 3

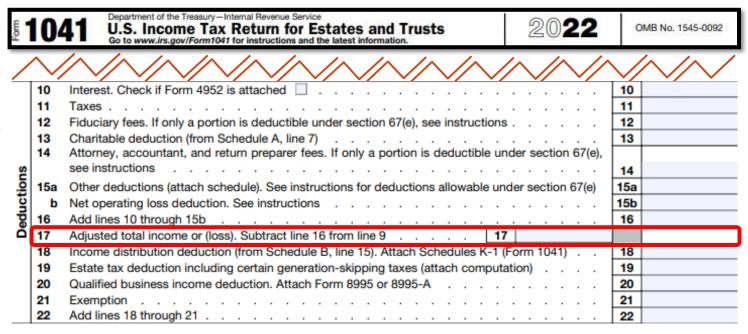
 It may be tempting to use line 7, but because businesses are taxed on their net income not gross—therefore, they report how much income they earned on line 31

	EDULE C n 1040)	Profit or Loss From Business (Sole Proprietorship)			-	OME	No. 15	15-0074
Departr	ment of the Treasury	Go to www.irs.gov/ScheduleC for instructions and the latest information.				∠2 Atta	chment	
Internal	Revenue Service	Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships must generally file Fo	rm	106	5.		uence N	o. <b>09</b>
Name	of proprietor		So	cial	secu	rity n	umber	(SSN)
Α	Principal busines	s or profession, including product or service (see instructions)	В	Ente	code	from	instruct	tions
С	Business name.	If no separate business name, leave blank.	D	Empl	oyer I	D num	ber (EIN	(see instr.)
E	Business addres	s (including suite or room no.)						
	City, town or pos	st office, state, and ZIP code						
F	Accounting meth	nod: (1) Cash (2) Accrual (3) Other (specify)						
G	Did you "materia	lly participate" in the operation of this business during 2022? If "No," see instructions for lin	nit (	on lo	sses		Yes	☐ No
н	If you started or	acquired this business during 2022, check here				.		
1	Did you make ar	y payments in 2022 that would require you to file Form(s) 1099? See instructions				.	Yes	No No
J	If "Yes," did you	or will you file required Form(s) 1099?					Yes	☐ No
Par	Income							
1		r sales. See instructions for line 1 and check the box if this income was reported to you on the "Statutory employee" box on that form was checked		1				
2	Returns and allo	wances	Г	2				
3	Subtract line 2 fr	om line 1	Г	3				
4	Cost of goods so	old (from line 42)	Г	4				
5	Gross profit. Su	btract line 4 from line 3	Г	5				
6	Other income, in	cluding federal and state gasoline or fuel tax credit or refund (see instructions)		6				
7	Gross income.	Add lines 5 and 6		7				



## FEDERALLY ADJUSTED GROSS INCOME

- Total (TC-90CY; line 11)
  - Trust/Estate Returns
    - Form 1041—Line 17
    - This number does not include all forms of non-taxable income





## NOTE ON TRUSTS (FORM 1040 & FORM 1041)

- In general, a grantor trust is ignored for income tax purposes and all the income, deductions, etc., are <u>treated as belonging directly to the grantor</u>. This also applies to any portion of a trust that is treated as a grantor trust.
- If only part of the trust is a grantor type trust, the portion of the income, deductions, etc., that is allocable to the non-grantor part of the trust is reported on Form 1041, under normal reporting rules. The amounts that are allocable directly to the grantor are shown only on an attachment to the form.
  - <u>IRS 1041 Instructions</u>—Pages 13-14



## 2022 TC-90CY



### Section 2 - Household Income Household income must include ALL household members' incomes.

Complete and add lines 1 through 10 and enter the total on line 11. **Household income** is income received during 2022 from all members living in the household as of Jan. 1, 2023, **not just the applicant.** Do not include income of children under 18 or your (or your spouse's) parents and grandparents, even if they live with you. A "**household**" is an association of all people living in the same dwelling, sharing furnishings, facilities, accommodations and expenses. **Send supporting income documentation for information provided below.** 

Tota	al members in household as of Jan. 1, 2023				
1.	Wage/salaries/tips/other compensation	1	6.	Government assistance	6
	(W-2, 1099Misc, etc.)		7.	Unemployment, worker's compensation	7
2.	Total interest income, dividends (taxable/nontaxable)	2	8.	Business. rental, farm income (Include copy of federal return and all	8
3.	Pensions, annuities - include IRAs	3		schedules. This amount will be reviewed.)	
	(taxable/nontaxable) (Include a copy of federal return and all schedules. This amount will be revi	ewed.)	9.	Depreciation on claimed residence (Include copy of federal return and all	9
4.	Social Security/Railroad retirement (but not	4		schedules. This amount will be reviewed.)	
	Social Security Disability) (taxable/nontaxable) (send supporting documentation)		10.	Other income received under UC §59-2-1202 such as alimony, nontaxable interest, etc.	10
5.	Current year capital gain or loss	5		(send supporting documentation)	
	(Include copy of federal return and all schedules. This amount will be reviewed.)		11.	Total 2022 household income from all sources (add lines 1 through 10)	11

You do not qualify if the amount on line 11 is greater than \$38,369. You may be required to submit additional information to support your claims.



## WAGE/SALARIES/TIPS/OTHER COMPENSATION

- Included in FAGI
  - W-2, 1099-Misc, etc.
  - Form 1040—Lines la, lb, lc, ld, lg, lh, li

Income	1a	Total amount from Form(s) W-2, box 1 (see instructions)
Income	b	
Attach Form(s)	С	Tip income not reported on line 1a (see instructions)
W-2 here. Also attach Forms	d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)
W-2G and	е	Taxable dependent care benefits from Form 2441, line 26
1099-R if tax was withheld.	f	Employer-provided adoption benefits from Form 8839, line 29
If you did not	g	Wages from Form 8919, line 6
get a Form	h	Other earned income (see instructions)
W-2, see instructions.	i	Nontaxable combat pay election (see instructions)
TIGHT GOLD TO.	z	Add lines 1a through 1h



## TOTAL INTEREST INCOME, DIVIDENDS

- Taxable portion included in FAGI
  - Form 1040—Lines 2 (a&b) and 3 (a & b)
  - Schedule B—Line 2 & Line 6
    - List of all 1099-INT, 1099-OID, and/or 1099-DIV
- Qualified dividends are subset of ordinary dividends on Form 1040
  - This means qualified dividends are included in the value of this line on the TC-90CY

SCHEDULE B (Form 1040) Department of the Tre Internal Revenue Serv	asury	Interest and Ordinary Dividends  Go to www.irs.gov/ScheduleB for instructions and the latest information.  Attach to Form 1040 or 1040-SR.	OMB No. 1545-0074  2022  Attachment Sequence No. 08	
Name(s) shown on re	turn		Your	social security number
Part I Interest	1	List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address:		Amount
(See instructions and the Instructions for Form 1040, line 2b.)				
Note: If you received a Form 1099-INT, Form 1099-OID, or substitute			1	
statement from a brokerage firm, list the firm's name as the payer and enter				
the total interest shown on that form.				
	2	Add the amounts on line 1	2	
	3	Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815	3	



## PENSIONS, ANNUITIES, IRAS

- Taxable portion included in FAGI
  - Form 1099-R
  - Form 1040—Lines 4a & 5a
    - Lines 4b & 5b includes only the taxable amount that is to be included in the FAGI
  - Schedule l—Line lt
- Voluntary contributions to a taxdeferred retirement plan
  - Form 1040; Schedule 1—Lines 16 & 20
  - W2—box 12

_	A distributions 4a b Taxable amount	. 40
P€	ensions and annuities 5a b Taxable amount	. 5b
	<del></del>	
	t Denoise or appuits from a pangualified deferred componentian plan or	
	t Pension or annuity from a nonqualifed deferred compensation plan or a nongovernmental section 457 plan 8t	
	a nongovernmental section 457 plan   ot	
chedule	e 1 (Form 1040) 2022	Page
	Adjustments to Income	
11	Educator expenses	11
12	Certain business expenses of reservists, performing artists, and fee-basis government	
	officials. Attach Form 2106	12
13	Health savings account deduction. Attach Form 8889	13
14	Moving expenses for members of the Armed Forces. Attach Form 3903	14
15	Deductible part of self-employment tax. Attach Schedule SE	15
16	Self-employed SEP, SIMPLE, and qualified plans	16
	Self-employed health insurance deduction	17
	Penalty on early withdrawal of savings	18
	Alimony paid	19a
	Recipient's SSN	
	Date of original divorce or separation agreement (see instructions):	



## SOCIAL SECURITY/RAILROAD RETIRENENT

Social security benefits .

- Taxable portion included in FAGI
  - SSA-1099 & RRB-1099
  - Form 1040—Line 6
    - The gross amount listed on line 6a may already be reduced by repayments made during the year for prior years which can be confirmed by reviewing the individuals 1099-SSA, box 3 and 4.

E1040 Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return

2022

OMB No. 1545-0074

IRS U

### Reminder

 SSDI is NOT included in income, even though it may be reported on Form 1040. Please ensure that these amounts are excluded from any totals you may use by verifying SSA-1099s with the stated value on the Form 1040 b Taxable amount . . . . . 6b



## CURRENT YEAR CAPITAL GAIN/LOSS

- For nontaxable capital gains, review the transactions on form 8949 for a description of the sales and look for any possible adjustments to the transactions as listed in columns F and G
  - Form 8949 isn't required for certain transactions.
     Transactions may be aggregated and reported directly on either line 1a or line 8a of Schedule D if the taxpayer:
    - Received a Form 1099-B (or substitute statement) that shows basis was reported to the IRS and doesn't show any adjustments in box 1f or 1g;
    - · Received a 1099-B with the Ordinary box in box 2 un-checked;
    - Doesn't need to make any adjustments to the basis or type of gain (or loss) reported on Form 1099-B (or substitute statement), or to his/her gain (or loss); and
    - Isn't electing to defer income due to an investment in a Qualified Opportunity Fund and aren't terminating deferral from an investment in a Qualified Opportunity Fund
- Review form 4797, if included

Form **8949**Department of the Treasur

Sales and Other Dispositions of Capital Assets

Go to www.irs.gov/Form8949 for instructions and the latest information.

File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 9, and 10 of Schedule D.

OMB No. 1545-0074

2022

Attachment
Sequence No. 12A

Form 8949 Adj. Code	Explanation
В	Basis reported on Form 1099-B is incorrect.
T	Holding period reported on Form 1099-B is incorrect.
N*	Recipient of Form 1099-B is a nominee for the actual owner of the property.
H*	Sale of primary residence eligible for exclusion. Use Home Sale Worksheet.
D*	Accrued Market Discount reported on Form 1099-B.
Q*	Sale of Qualified Small Business stock eligible for exclusion.
<b>X</b> *	Sale of DC Zone or qualified community assets eligible for exclusion.
R*	Rollover of qualified gain. (e.g. rollover of qualified QSB stock)
W	Nondeductible loss from wash sale.
L*	Nondeductible loss for reason other than wash sale.
Ε	Selling expenses or option premiums not reflected on Form 1099-B.
S*	Loss from small business stock in excess of ordinary loss limits.
С	Sale of collectible item.
M	Summary of multiple transactions on a single row. (Attach statement)
<b>Z</b> *	Deferral of gain from a QOF investment.
<b>Y</b> *	Gain from a QOF investment deferred in prior tax year. (Enter on Form 8997)
0	Other adjustment not found above.

Form **4797** 

Department of the Treasury Internal Revenue Service Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

Attach to your tax return.

Go to www.irs.gov/Form4797 for instructions and the latest information

OMB No. 1545-0184

Attachment Sequence No. 27



## CURRENT YEAR CAPITAL GAIN/LOSS

- Form 1040—Line 7
- Schedule D
  - Loss Carry Forwards
    - Net Operating Loss
      - Form 1040, Schedule 1, Line 8a
    - Capital Loss
      - Form 1040, Schedule D, Line 6 & Line 14
        - Check line 16 & 21 to see if the loss is limited
    - Passive Activity Loss
      - Form Schedule E with Form 6198 and/or Form 8582 for any prior year losses being claimed in the current tax year

8 a	Other income: Net operating loss										88		)

#### SCHEDULE D (Form 1040)

Department of the Treasury Internal Revenue Service

### **Capital Gains and Losses**

Attach to Form 1040, 1040-SR, or 1040-NR.
Go to www.irs.gov/ScheduleD for instructions and the latest information.
Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.

OMB No. 1545-0074

2022

Attachment Sequence No. 12

#### SCHEDULE E (Form 1040)

Department of the Treasury Internal Revenue Service

### Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

Attach to Form 1040, 1040-SR, 1040-NR, or 1041.

Go to www.irs.gov/ScheduleE for instructions and the latest information.

OMB No. 1545-0074

2022

Attachment Sequence No. 13



### GOVERNMENT ASSISTANCE

- Support money received
  - Child support is not reported on the individual income tax return
- Cash public assistance or relief
  - Cash public assistance or relief is not reported on individual income tax returns



## UNEMPLOYMENT/WORKER'S COMPENSATION

- Only the taxable portion of state unemployment insurance amounts are reported
  - Form 1040; Schedule 1—Line 7
- Workers' compensation is not reported on individual income tax returns
  - Per the income tax division at the USTC

SCHEDULE 1 (Form 1040)

Department of the Treasury Internal Revenue Service

### **Additional Income and Adjustments to Income**

Attach to Form 1040, 1040-SR, or 1040-NR.

Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074
2022
Attachment
Sequence No. 01



### BUSINESS/RENTAL/FARM INCOME

- Included in FAGI
  - Schedule 1—Lines 3, 5 & 6
    - Schedule C (business)
    - Schedule E (rental)
    - Schedule F (farm)

### SCHEDULE 1 (Form 1040)

Department of the Treasury Internal Revenue Service

### Additional Income and Adjustments to Income

Attach to Form 1040, 1040-SR, or 1040-NR. Go to www.irs.gov/Form1040 for instructions and the latest information.

Sequence No. 01

OMB No. 1545-0074

3	Business income or (loss). Attach Schedule C		3	
4	Other gains or (losses). Attach Form 4797		4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E .		5	
6	Farm income or (loss), Attach Schedule F	Γ	6	

#### SCHEDULE C (Form 1040)

### **Profit or Loss From Business**

(Sole Proprietorship)

Go to www.irs.gov/ScheduleC for instructions and the latest information. Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships must generally file Form 1065. OMB No. 1545-0074

Sequence No. 09

#### SCHEDULE E (Form 1040)

Department of the Treasury Internal Revenue Service

#### Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.) Attach to Form 1040, 1040-SR, 1040-NR, or 1041. Go to www.irs.gov/ScheduleE for instructions and the latest information.

OMB No. 1545-0074

Attachment Sequence No. 13

#### SCHEDULE F (Form 1040)

Department of the Treasury Internal Revenue Service

#### Profit or Loss From Farming

Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065. Go to www.irs.gov/ScheduleF for instructions and the latest information

OMB No. 1545-0074





## DEPRECIATION ON CLAIMED RESIDENCE

- Not directly included in FAGI
  - Indirectly included on Schedule C
    - Form 8829—Line 30
  - If the home is rented, any depreciation claimed is found on Form 1040
     Schedule E, Part I, line 18. Check line 21 and 22 to see if any of the deductions have been limited.

Form **8829**Department of the Treasury

### Expenses for Business Use of Your Home File only with Schedule C (Form 1040). Use a separate Form 8829 for each home

ile only with Schedule C (Form 1040). Use a separate Form 8829 for each home you u for business during the year.

Go to www.irs.gov/Form8829 for instructions and the latest information. OMB No. 1545-0074

2022

Attachment
Sequence No. 176

9



## OTHER INCOME

### Alimony

- Form 1040; Schedule 1—line 2a
  - Enter amounts received as alimony or separate maintenance pursuant to a divorce or separation agreement entered on or before December 31, 2018, unless that agreement was changed after December 31, 2018, to expressly provide that alimony received isn't included in your income.
- Other nontaxable interest, etc.
  - Form 1040; Schedule 1—Line 8z
  - Form 1040—Line 2a
- Nontaxable strike benefits
  - Most strike benefits are taxable and included in the Federal adjusted gross income. The only income excluded from FAGI are benefits the union clearly intended as gifts. Gifts are not reported on individual income tax returns

#### SCHEDULE 1 (Form 1040)

### **Additional Income and Adjustments to Income**

OMB No. 1545-0074

Department of the Treasury Internal Revenue Service Go to www.irs.gov/Form1040 for instructions and the latest information

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

Attachment Sequence No. **01** 

Your social security number

### Part | Additional Income Other gains or (losses). Attach Form 4797 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 6 7 Foreign earned income exclusion from Form 2555 Alaska Permanent Fund dividends Activity not engaged in for profit income . . . . . . Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property m Olympic and Paralympic medals and USOC prize money (see n Section 951(a) inclusion (see instructions) o Section 951A(a) inclusion (see instructions) . . . . Section 461(I) excess business loss adjustment . . . . . Taxable distributions from an ABLE account (see instructions) Scholarship and fellowship grants not reported on Form W-2 s Nontaxable amount of Medicaid waiver payments included on Form t Pension or annuity from a nonqualifed deferred compensation plan or a nongovernmental section 457 plan 8t 8u Other income. List type and amount Total other income. Add lines 8a through 8z . . . . . . . . . . . . . . . 10 Combine lines 1 through 7 and 9. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8

